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## **Thailand**

### **Agricultural Situation**

## **Hot Topics in the Tropics: Thai Agriculture 2003**

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#### **Report Highlights:**

**The Chairman of the Royal Thai Senate Committee on Agriculture and Cooperatives recently addressed the American Chamber of Commerce Food and Agriculture Committee on the current topics of interest in the Thai agricultural sector. Senator Anant Dalodom has been an unwavering proponent of modernizing Thai agriculture to be more competitive globally. At the same time, however, the Senator has been sharply critical of foreign agricultural powerhouses who can afford to use large and expensive support and subsidy programs. Senator Anant is also recognized for his commitment to biotechnology support and advancement in Thailand. The following are the remarks of the Senator covering an array of current agricultural topics in Thailand.**

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1. Begin remarks, "We cannot deny that Agriculture plays a very important role in the growth of Thai's economy. It is a known fact that Agriculture is the source of food, income and most important it is the source of foreign currency from the export of Thai agriculture products. Therefore, the global economic development, the international trade system and any change in policies both import and export of food and agriculture products will absolutely affect the whole industry. Within this context, it is the opportunity to update and keep you abreast of the key issues and pending legislation that have a potential impact in the food and agricultural sectors which will be the discussion topic of this meeting.

There are 8 main issues I would like to emphasize here:

- Bio-Technology
- Environment
- Food Safety
- Food and Agriculture Standard Setting Bodies
- Traceability, Risk Management and Communication
- Labeling
- Current Regulations and Legislation in Thailand
- Agriculture Subsidies

## 2. Bio-Technology Issues

As economies rise in the South East Asia region, Thailand must utilize higher technology to increase agriculture productivity and produce superior quality products in order to remain competitive and dominant in the world's food market. The emergence of biotechnology in the 20<sup>th</sup> century offers significant development opportunities to the agricultural industry. However the expensive license fees associated with biotechnology make it largely out of the reach of many developing countries. Thailand cannot ignore the potential benefits of this technology and must meet the challenges of capacity building and human resource development.

In 1999 amid growing international concern over GMOs safety Thailand's Committee for International Economic Policy issued guidelines for the commercial release of GMOs seeds. While the guidelines prohibited the commercial release of plant seeds field trials were permissible under the jurisdiction of the DOA.

In Thailand agricultural GMOs issues are largely separated into 4 areas;

- The Ministry of Agriculture and Cooperatives has been allocated the responsibility of GMOs used in agriculture, livestock and fisheries in relation to Product risk assessment.
- The Ministry of Public Health finds itself in charge of food safety assessment including GMOs for human consumption, toxication, safety, allergens, and transgens.
- It is the responsibility of the Ministry of Science and Technology carry out on research and development of technology. It is within this Ministry that we find the National

Centre for Genetic Engineering and Biotechnology (BIOTECH). It is this agency that monitors all GMO issues in Thailand. Also involved in GMO research in the Ministry is the National Science and Technology Development Agency. Moreover, National Biosafety Committee of the National Science and Technology Development Agency/Ministry of Science was the body set up to oversee the regulatory framework and to give the technical support to the relevant regulatory agencies. It is also the official focal point for Categena Protocol.

- The Ministry of Commerce is involved in import licensing and trade related aspects of GMOs, all decision are, of course, based on the recommendations of the parties concerned.
- Finally the Ministry of Environmental and Natural Resources carry out GMO related environmental impact assessments and monitor biodiversity.

As for Thailand labeling and certification on biotechnology product, Thailand does support voluntary labeling and is currently in the process of developing labeling laws related to importing GM products. These laws will specifically apply to corn and soya intended for use as human food. The current law states a product must be labeled if:

- a) it contains more than 5% of GMOs and
- b) the GM ingredient (corn or soya) is among the first three listed ingredients.

If these two criteria are not met no labeling is required.

Certification is the responsibility of the relevant Ministry and is based on impact assessment and safety guidelines. Thus at the current time certification standards have only been completed by the Ministry of Health for food safety. Standards to cover the environment and agriculture are being developed by the Ministry of Science and Technology and the Ministry of Agriculture and Cooperatives respectively.

For the Declaration on the Biotechnology Product:

Each government agency has issued their declaration and undertaken the following actions to regulate the genetically modified organisms:

- a) DOA's Notification on the Request for Certification Documents from Exporting Seeds, which are not genetically modified.
- b) DOA's Notification on Importing of Plant Breeding Materials including Seed where certification documents that the materials including seed are not derived from genetic modification
- c) DOA's Notification on Cultivation of Genetically Modified Cotton.

d) FDA's Notification No. 215 2001 on prohibiting the importation of corn containing cry9c gene.

e) FDA's Notification No. 251 2002 on Labeling of food obtained through certain techniques of genetic modification/genetic engineering.

### 3. Environmental Issues

Both Thai Government and civil society are conscious of environmental protection as well as sustainable development. Thailand however believes that the existing WTO provisions are adequately addressing environmental concerns in related to trade. This issue should continue withing the WTO framework in order to deliver the benefit. Hence, developing countries is especially need for better understanding on this complicated issue, due to the fact that some of the developing countries that are exporting foods and agricultural product consider this issue as one of the trade distortion.

### 4. Food Safety Issues

Thai Government has set up a goal to make year 2004 as "food Safety Year" and focusing on making Thailand the "World's Kitchen". In order to archive these goals, Ministry of Agriculture and Cooperatives and Ministry of Public Health will upgrade the standard for Agricultural and Foods products produce and sold in local markets to the same level applied in international markets under the program "fresh from farms to table". These included monitoring farming and food processing, certifying farms and food processing plants, and setting up quarantine point along the borders. The quarantine points would screen out health threats to people and livestock.

### 5. Food and Agricultural Standard Setting Bodies

The newly formed National Agricultural Commodity and Food Standard Office has been working on a draft regulation to be imposed on import products to Thailand, which would act as a non-tariff barrier as well as safety precautions for Thai consumers. Thus, imported food and produce, which posed potential risk to health, would required country-of-origin certificates.

### 6. Traceability, Risk Management and Communication

Thailand is at the infancy stage of conducting risk management and communication, as there is very little information available on risk assessment. However, Thailand Industrial Standard Institute has began research funding on risk assessment of foods. As for the risk management, the essential activities are as follow:

a) **Pre-marketing control.** Standards and regulations were established.

b) **Post-marketing monitoring and surveillance.** Regular inspections of manufacturers, markets and supermarkets, sampling products for testing and re-evaluation of the registered products. Collection of epidemiology data is important post-market safety surveillance.

c) **Establish a traceability system.** In the event of released Agriculture and foods were found to be unsafe, the manufacturers must be able to trace back their products and conduct a market recall.

The risk assessors must have a mean to communicate the possible and potential risks to the manufacturers so that risks can be effectively managed.

## 7. Labeling Issues

The important of Labeling is it will merely allow consumer to make an informed choice of their own in the market place. Benefit of labeling are included food safety, consumer's right to knows, education and awareness raising. In fact, governments have responsibility to take cost effective measure to avert serious threats to health and the environment. Labeling will reduce risk and enable governments to rapidly identify and remove a product from the market. Furthermore, Producer and exporter of the product can foreseen labeling in termed of positive labeling and negative labeling which is usually affect to the cost and profits of there product. In order to reach the positive of labeling countries regulations on labeling must be comply with two agreements under WTO (Agreement on the Application of Sanitary and Phytosanitary measures- SPS and Agreement on Technical Barriers to Trade - TBT).

## 8. Current Regulations and Legislation in Thailand

There are a number of Thailand's legislation and regulations in different government agencies, which can be used in regulating foods and agricultural products. They are as follows:

- a) The Plant Quarantine Act 1964 amended 1999 and the Plant Variety Act B.E. 1975 of Department of Agriculture.
- b) Animal Disease Control Act 1962 and Animal Pathogen and Toxin Act B.E. 1982 of Department of Livestock Development.
- c) The Hazardous Substance Act 1992 (r-DNA derived and biotechnological products).
- d) Fertilizer Act 1975 and Enhancement and Conversation of National Environmental Quality Act 1990. (Environment Protection)
- e) Food Act 1979 of Ministry of Public Health.
- f) The Copyright Law 1978, Patent Law 1979 and Intellectual Property Right Act 1993 of Department of Justice. (Technology Transfer)

## 9. Agricultural Subsidies Issue

Thailand is foremost the importance on agriculture subsidies, which can lead to discrimination against WTO framework. Especially, trade-distorting export subsidies and domestic support resorted by some major trading partners are unjustly tolerated at the expense of the developing

countries that have comparative advantages in this sector. Thailand is seeking to end the discrimination against agriculture subsidies and have it fully integrated our policies into the WTO rules and disciplines. Thus Thailand would be willing to work out with all of our trading partners to achieve such goals.

10. Thailand attaches importance to the foreign business community. We recognize the role of foreign companies in contribution to Thailand's economic development. We are enthusiastic in forging business alliances and partnerships for our mutual gain and benefit. I regard the deliberations of this meeting as an important contribution in enhancing mutual growth and further cooperation." End Comments.

#### Post Comment and Analysis

11. Senator Anant's comments accurately reflect the agricultural situation in Thailand today. The policy makers in the executive branch, however, do not always make clear their understanding of the issues at hand, particularly those that affect trade.

Despite his ardent support for biotechnology and the sponsorship of programming that lead to the creation of the national biotechnology center (BIOTECH), Senator Anant wields little influence in getting the executive branch (MinAg or MinScience) to eagerly embrace agricultural biotechnology as a vehicle for increasing farmer output; reducing agricultural chemical abuse; or developing programs to educate the public about consumption of GM containing products.

Senator Anant, while generally siding with the U.S. government on issues like agricultural technology, labeling, or EU export subsidies, is sharply critical of U.S. domestic farm programs.

Additionally, Senator Anant and his parliamentary and executive branch colleagues cannot escape the intense pressure put upon them by huge agroindustrial companies in Thailand who do not want to see the Thai market open any more to competition from subsidizing producers. End comment.